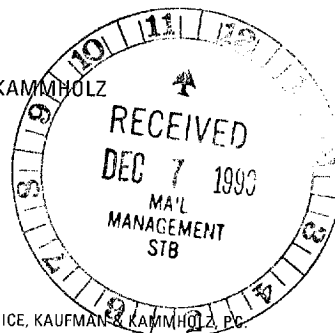


# VEDDER PRICE

VEDDER, PRICE, KAUFMAN & KAMMHOLZ  
222 NORTH LASALLE STREET  
CHICAGO, ILLINOIS 60601-1003  
312-609-7500  
FACSIMILE: 312-609-5005



BARBARA C. KLABACHA  
312-609-7895

A PARTNERSHIP INCLUDING VEDDER, PRICE, KAUFMAN & KAMMHOLZ, P.C.  
WITH OFFICES IN CHICAGO AND NEW YORK CITY

November 29, 1999

## BY UNITED STATES MAIL

Surface Transportation Board  
1925 K Street, NW  
Suite 714  
Washington, DC 20006

Attention: Ms. Taleda Stokes

Re: Rail Logistics Services, Inc.

RECORDATION NO.

20174-H, I

FILED

DEC 7 '99

11-29 AM

Dear Ms. Stokes:

Previously forwarded for recording with the Board pursuant to Section 11301 of Title 49 of the U.S. Code, under recordation number 20174, were original, fully executed and notarized documents in connection with a primary document titled "Security Agreement" dated as of June 26, 1996 (as amended from time to time, the "Security Agreement") between Rail Logistics Services, Inc., as the debtor (the "Debtor"), and LaSalle Bank National Association, formerly known as LaSalle National Bank, as the secured party (the "Secured Party"), as described below:

(i) a Seventh Amendment to Security Agreement dated as of November 15, 1999 ("Seventh Amendment"), which amends Schedule A to the Security Agreement to add as additional collateral thereto the lease of a certain locomotive identified as CNW6626 (Type SD-18) (the "Additional Locomotive"); and

(ii) a First Amendment dated as of November 15, 1999 (the "Lease Amendment") to Master Collateral Assignment of Leases dated as of June 10, 1999 (as amended, the "Lease Assignment"), which amends Schedule 1 to the Lease Assignment to pledge the lease of the Additional Locomotive as collateral security and to release the pledge of the lease of a certain locomotive identified as Model GP-10 Road Number NY 202 (formerly known as OHCR 7595).

The names and addresses of the parties to the Seventh Amendment and the Lease Amendment are as follows: the Debtor is Rail Logistics Services, Inc., a Delaware corporation whose principal place of business is located at 53 West Jackson Boulevard, Suite 335, Chicago, Illinois 60604; the Secured Party is LaSalle Bank National Association, formerly known as LaSalle

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National Bank, a national banking association whose principal place of business is located at 135 South LaSalle Street, Chicago, Illinois 60603.

A short summary for each document to appear in the index is as follows:

A Seventh Amendment to Security Agreement, dated as of November 15, 1999, between Rail Logistics Services, Inc., as the debtor, and LaSalle Bank National Association, formerly known as LaSalle National Bank, as the secured party, amending Secured Party's security interest and lien to include a certain locomotive known as CNW6626 (Type SD-18).

A First Amendment dated as of November 15, 1999 to Master Collateral Assignment of Lease dated as of June 10, 1999, between Rail Logistics Services, Inc., as the debtor, and LaSalle Bank National Association, formerly known as LaSalle National Bank, as the secured party, amending the leases pledged as collateral to include the lease of a certain locomotive known as CNW6626 (Type SD-18) and to release the pledge of the lease of a certain locomotive identified as Model GP-10 Road Number NY 202 (formerly known as OHCR 7595).

Previously forwarded was a check in the amount of \$52.00 payable to the Surface Transportation Board to cover the recording fee prescribed by the Board in its rules and regulations.

Please acknowledge receipt of the enclosed documents by stamping and returning to me the enclosed copy of this letter together with each of (i) the Seventh Amendment to Security Agreement and (ii) the First Amendment to Master Collateral Assignment of Leases, each as filed.

If you have any questions with respect to the enclosed documents, please call me collect.

Very truly yours,



Barbara C. Klabacha

DEC 7 '99

11-29 AM

**AMENDMENT TO MASTER COLLATERAL ASSIGNMENT OF LEASE**

This AMENDMENT TO MASTER COLLATERAL ASSIGNMENT OF LEASE ("Lease Amendment") dated as of November 15, 1999, is made by and between RAIL LOGISTICS SERVICES, INC., a Delaware corporation having its principal place of business at 53 West Jackson Boulevard, Chicago, Illinois 60604 ("Borrower"), LASALLE BANK NATIONAL ASSOCIATION, formerly known as LaSalle National Bank, a national banking association with its principal place of business at 135 South LaSalle Street, Chicago, Illinois 60603 ("Bank"), and each of the undersigned companies (each, a "Lessee" and, collectively, "Lessees").

WHEREAS, Borrower has requested Bank to finance its acquisition of a locomotive identified as CNW 6626 (type SD-18) (the "New Locomotive");

WHEREAS, Bank is willing to finance Borrower's acquisition of the New Locomotive provided that Borrower pledge its interests in the New Locomotive to Bank; and

WHEREAS, Borrower and Bank desire to amend certain provisions of the Master Collateral Assignment of Leases dated as of June 10, 1999 (as amended from time to time, the "Lease Assignment") to permit Borrower's pledge to Bank of its interests in any lease of the New Locomotive;

NOW THEREFORE, the parties agree as follows:

1. **Definitions.** Capitalized terms used herein without definitions shall have the meanings contained in the Lease Assignment.

2. **Additional Collateral.** The following is added to Schedule 1 to the Lease Assignment:

| Locomotive Identification      | Lessee                     |
|--------------------------------|----------------------------|
| Model No. CNW6626 (Type SD-18) | Pacific Harbor Lines, Inc. |

3. **Released Collateral.** The following is deleted from Schedule 1 to the Lease Assignment:

| Locomotive Identification                                       | Lessee                               |
|-----------------------------------------------------------------|--------------------------------------|
| Model GP-10 Road Number NY 202<br>(formerly known as OHCR 7595) | Louisville & Indiana Railway Company |

4. Continuing Effect. Except as otherwise explicitly provided for herein, the terms and provisions of the Security Agreement remain in full force and effect.

5. Counterparts. This Amendment to Lease Assignment may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

*(Signature Page to Amendment to Lease Assignment)*

IN WITNESS WHEREOF, the undersigned have executed this Amendment to Master Collateral Assignment of Lease as of the date first above written.

**Assignor:**

**RAIL LOGISTICS SERVICES, INC.**

By: 

Name: Bruce Lieberman

Title: Vice President and Treasurer

**Assignee:**

**LASALLE BANK NATIONAL ASSOCIATION,**

formerly known as LaSalle National Bank,  
a national banking association

By: \_\_\_\_\_

Name: Terri Maurer

Title: Vice President

**Lessee:**

**PACIFIC HARBOR LINES, INC**

By: 

Name: Bruce Lieberman

Title: Treasurer

**Lessee:**

**LOUISVILLE & INDIANA RAILROAD  
COMPANY**

By: 

Name: Bruce Lieberman

Title: Treasurer

*(Signature Page to Amendment to Lease Assignment)*

IN WITNESS WHEREOF, the undersigned have executed this Amendment to Master Collateral Assignment of Lease as of the date first above written.

**Assignor:**

**RAIL LOGISTICS SERVICES, INC.**

By: \_\_\_\_\_

Name: Bruce Lieberman


Title: Vice President and Treasurer

**Assignee:**

**LASALLE BANK NATIONAL ASSOCIATION,**

formerly known as LaSalle National Bank,

a national banking association

By: 

Name: Terri Maurer

Title: Vice President

**Lessee:**

**PACIFIC HARBOR LINES, INC.**

By: \_\_\_\_\_

Name: Bruce Lieberman

Title: Treasurer

**Lessee:**

**LOUISVILLE & INDIANA RAILROAD  
COMPANY**

By: \_\_\_\_\_

Name: Bruce Lieberman

Title: Treasurer

STATE OF New York )  
COUNTY OF New York ) ss.

On this 12 day of November, 1999, before me personally appeared Bruce A. Lieberman, to me personally known, who, being by me duly sworn, says that he is (i) the Vice President and Treasurer of Rail Logistics Services, Inc., a Delaware corporation, (ii) the Treasurer of Pacific Harbor Lines, Inc., a California corporation, and (iii) a Treasurer of Louisville & Indiana Railroad Company, an Indiana corporation, and that the said instrument was signed on behalf of each said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of each said corporation.

*Natalie Blank*  
Notary Public

My commission expires: \_\_\_\_\_

**NATALIE BLANK**  
Commissioner of Deeds  
City of New York No. 3-8108  
Certificate Filed in Bronx County  
Commission Expires November 1, 2000

STATE OF ILLINOIS            )  
                                          ) ss.  
COUNTY OF COOK            )

On this 15 day of November, 1999, before me personally appeared Terri Maurer, to me personally known, who, being by me duly sworn, says that she is a Vice President of LaSalle Bank National Association, formerly known as LaSalle National Bank, a national banking association, and is duly authorized to sign the foregoing instrument on behalf of said banking association, and she acknowledges that the execution of the foregoing instrument was the free act and deed of said banking association.



Notary Public *Cynthia Mankowski*  
My commission expires: 10-21-01